

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.**Baton Rouge, Louisiana****FINANCIAL REPORT****December 31, 2011 and 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUN 27 2012**

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.

Baton Rouge, Louisiana

December 31, 2011

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Coalition Against Domestic Violence, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of **LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC. (LCADV)** (a nonprofit corporation) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of LCADV's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LCADV as of December 31, 2011 and 2010, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2012 on our consideration of the LCADV's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
May 29, 2012

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.

Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

For the years ended December 31, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash	\$ 128,372	\$ 75,355
Grants receivable	<u>63,740</u>	<u>139,133</u>
Total current assets	<u>\$ 192,112</u>	<u>\$ 214,488</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 75,712	\$ 84,915
Accrued payroll	13,076	14,164
Grant advances	<u>18,240</u>	<u>18,240</u>
Total current liabilities	107,028	117,319
NET ASSETS		
Unrestricted	<u>85,084</u>	<u>97,169</u>
Total liabilities and net assets	<u>\$ 192,112</u>	<u>\$ 214,488</u>

The accompanying notes to the financial statements
are an integral part of this statement

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.

Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
SUPPORT AND REVENUE		
Grants		
Federal	\$ 490,035	\$ 776,505
Other	10,000	-
Contractual services	18,000	-
Membership dues	16,000	15,771
Contributions	1,061	4,653
Other income	<u>2,541</u>	<u>2,847</u>
Total support and revenue	<u>537,637</u>	<u>799,776</u>
EXPENSES		
Program services:		
Family Violence Prevention and Services	242,183	244,667
Coalition Grant Services	194,491	121,197
Women's Services Hotline	26,489	20,686
NNEDV	17,999	-
Violence Against Women Services	14,526	26,485
Childrens Trust Fund	10,000	-
CEV	6,348	-
Rural Domestic Violence and Child Victim Services	-	258,011
Arrest Policy Encouragement and Enforcement Services	-	95,259
General and administration	<u>37,686</u>	<u>73,037</u>
Total expenses	<u>549,722</u>	<u>839,342</u>
Change in net assets	(12,085)	(39,566)
NET ASSETS		
Beginning of year	<u>97,169</u>	<u>136,735</u>
End of year	<u>\$ 85,084</u>	<u>\$ 97,169</u>

The accompanying notes to the financial statements
are an integral part of this statement.

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.

Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (12,085)	\$ (39,566)
Adjustments for non-cash items:		
Depreciation	-	7,453
Change in operating assets and liabilities:		
Grant receivables	75,393	(8,838)
Accounts payable and payroll liabilities	<u>(10,291)</u>	<u>82,058</u>
Net cash provided by operating activities	53,017	41,107
CASH		
Beginning of year	<u>75,355</u>	<u>34,248</u>
End of year	<u>\$ 128,372</u>	<u>\$ 75,355</u>

The accompanying notes to the financial statements
are an integral part of this statement

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

The Louisiana Coalition Against Domestic Violence, Inc. (LCADV) is a non-profit organization created to lead a statewide collaborative effort to end domestic violence, provide technical assistance and training, to advocate for and administer financial support, to provide statewide leadership on public policy, to collect and maintain domestic violence reference materials and to advocate change in existing legislation and adoption of new legislation which will contribute to the eradication of domestic violence in Louisiana.

Basis of presentation

The financial statements of LCADV have been prepared on the accrual basis of accounting.

LCADV reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. LCADV did not have any temporarily or permanently restricted net assets for the years ended December 31, 2011 and 2010.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation.

Revenue recognition

LCADV recognizes contributions revenue when a donor makes an unconditional promise to give. Grant revenue is recorded as related expenses are incurred.

Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. There was no temporarily restricted or permanently restricted support received in 2011 or 2010.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of the statement of cash flows, LCADV considers cash in operating bank accounts as cash. Cash equivalents include highly liquid investments with original maturities of three months or less. LCADV has no cash equivalents at December 31, 2011 and 2010.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are recorded at cost, net of an allowance for doubtful accounts. LCADV evaluates the collectability of its accounts receivable on a per customer basis and does not require collateral. There was no allowance recorded at December 31, 2011 and 2010. At December 31, 2011 and 2010, accounts receivable in excess of 90 days was approximately \$6,300 and \$70,300, respectively.

Property and equipment

Property and equipment are carried at cost. The capitalization threshold is \$500. Depreciation is provided using the straight-line method over the estimated useful lives of the property, ranging from three to seven years.

Compensated absences

Compensated absences are earned at varying rates from two to four weeks per year depending on length of service. A maximum of two weeks paid time off may be carried over at each employee's anniversary date. At December 31, 2011 and 2010, approximately \$6,300 and \$4,100, respectively, has been accrued for compensated absences.

Advertising

Advertising and promotion costs are expensed as incurred. LCADV incurred approximately \$17,000 and \$850 in advertising expenses at December 31, 2011 and 2010, respectively.

Fair value of financial instruments

The carrying value of cash, receivables, accounts payable and accrued expenses approximate fair value due to the short-term maturity of these instruments. None of the financial instruments are held for trading purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

LCADV is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

LCADV follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits. The organizations open audit periods are 2008 through 2011.

NOTE 2 - LEASE OBLIGATION

LCADV leases an office facility under an operating lease with a five-year term, expiring May 31, 2012. During the years ended December 31, 2011 and 2010, rent expense was \$36,900. Future scheduled rental payments are \$15,375 for 2012.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which subject LCADV to concentrations of credit risk consist primarily of receivables. In addition, LCADV maintains cash in local banks, which may, at times, exceed the FDIC limits. Management believes the risk is limited.

NOTE 4 - ECONOMIC DEPENDENCY

For 2011 and 2010, LCADV received approximately 87% and 97%, respectively, of its revenue from federal and state government grants and contracts.

NOTE 5 - CONTINGENCIES

Public Support

LCADV participates in a state and federal grant program which is governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustments by the grantor agency; therefore, to the extent that LCADV has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and LCADV.

NOTE 6 - SUBSEQUENT EVENTS

Subsequent to year end, LCADV received notice from the Internal Revenue Service stating an assessed penalty of \$46,625, recorded as a liability at December 31, 2011 and 2010, has been forgiven.

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

Special Independent Auditors' Report

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.

Baton Rouge, Louisiana

December 31, 2011



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Louisiana Coalition Against Domestic Violence, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of **LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC. (LCADV)** (a non-profit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated May 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LCADV's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LCADV's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LCADV's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as 2011-1 and 2011-2. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LCADV's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters.

LCADV's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit LCADV's responses and, accordingly, we express no opinion on them.

This report is intended for the information of the Board of Directors, management, the Louisiana Legislative Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document



Certified Public Accountants

Baton Rouge, Louisiana
May 29, 2012

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.

Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

December 31, 2011

A) SUMMARY OF AUDIT RESULTS

1. The type of report issued on the financial statements: **Unqualified opinion**
2. Significant deficiencies in internal control were disclosed by the audit of financial statements: **2011-1 and 2011-2.**
Material weakness: None noted.
3. Noncompliance material to the financial statements: **None noted.**
4. Findings relating to the financial statements reported in accordance with *Government Auditing Standards: 2011-1 and 2011-2.*

B) FINDINGS – FINANCIAL STATEMENT AUDIT

2011-1 Financial Statement Preparation

Criteria: LCDAV does not maintain a system of internal controls over reporting to ensure that external financial statement presentation are in conformity U.S. generally accepted accounting principles (GAAP).

Condition: LCDAV relies on its auditors to assist in the preparation of external financial statements. Under U.S. generally accepted auditing standards, the auditors cannot be considered part of the LCDAV's internal control structure; however, design of the internal control structure does not otherwise include procedures to prepare external financial statements in conformity with GAAP.

Recommendation: LCDAV uses its finance manager to prepare internal financial statements as well as to review and approve the external financial statements prepared by the auditors. Under this option, LCDAV provides additional resources to the finance manager to obtain/maintain the technical expertise needed to prepare internal financial statements and review the external financial statements which are in accordance with generally accepted accounting principles.

However, LCDAV is satisfied with using its auditing firm to prepare the external financial statements, but this matter will continue to be reported.

Management's corrective action plan: Management understands that this finding results from professional standards that have been adopted by the accounting profession. Management intends to continue using the auditing firm to prepare the external financial statements and related footnote disclosures.

2011-2 Segregation of Duties/Financial Oversight

Criteria: Segregation of duties should be adequate within LCADV's accounting department to provide effective internal control.

Condition: There is an inadequate segregation of duties within LCADV's accounting functions.

Cause: The finding results from the small size of the staff of LCADV.

Recommendation: We recommend the following:

- **Operating** – a Member of the Board continue to review and approve check disbursements and related supporting documentation, receive the unopened monthly bank statement (including the cancelled checks), and review the related bank reconciliations.
- **Reporting** – the Board should continue to review and approve detailed financial statements on a monthly basis, to include a statement of financial position, statement of activities with budgetary comparison and a detailed general ledger.

Management's Response: Management concurs with this finding. However, due to the small size of the LCADV staff, the achievement of adequate segregation of duties is desirable but not cost effective. In addition, the Executive Director, through daily business operations of approving purchase orders and disbursements, serves as an integral component of LCADV's internal control functions. Management will continue to monitor the internal control structure, document incompatible staff functions, and make changes as necessary. LCADV's contract accountant, who serves as the Finance Director, provides detailed financial statements for quarterly board meetings. Finally, management will discuss the tasks outlined in the auditor's recommendation with the Board Finance Committee.

LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.
Baton Rouge, Louisiana

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2011

2010-1 Financial Statement Preparation

Finding has been reclassified as current year finding 2011-1.

2010-2 Segregation of Duties/Financial Oversight

Finding has been reclassified as current year finding 2011-2.

2010-3 Suspension and Debarment of Vendors

Observation: Based upon review of current year expenditures and discussions with management, an effective system for monitoring suspension and debarment of vendors has been put into place.



**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

**Board of Directors
Louisiana Coalition Against Domestic Violence, Inc.
Baton Rouge, Louisiana**

Our report on our audit of the basic financial statements of **LOUISIANA COALITION AGAINST DOMESTIC VIOLENCE, INC.** (a nonprofit corporation) for the years ended December 31, 2011 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses included on page 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole

Certified Public Accountants

**Baton Rouge, Louisiana
May 29, 2012**

